MSC BRIEFING

15 June 1954

UNITED STATES-SOUTH KORBAN RELATIONS SETERING CRITICAL PERIOD

I. Introduction

- A. The United States is now entering into a critical period in its relations with President Rhee.
 - 1. Rhee will likely exploit failure of Geneva to unify Korea to justify "correctness" of his view that negotiations with Communists are
 futile.
 - 2. He has often threatened to renew hostilities following failure at Geneva.
 - 3. There are several pending military and economic issues likely to bring US-South Korean relations to a new low over next few weeks.

II. The Geneva Conference

A. Whee is likely to recall his delegation from Geneva unless US/UN completely and unconditionally terminates talks at early date.

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- 1. Amb Briggs reports that Rhee desires a clean break "with no leftevers or cold salad gathering mould in the UN icebox."
- 2. Anything Rhee interprets as temporizing or appeasement increases possibility of a unilateral ROK walk-out, thus creating major problem in US-RCK relations.
- B. RCK spokesmen have stated repeatedly there will be no more talks on Kores following Geneva.
 - 1. Rhee strongly opposes proposals to refer Korean issue back to UN or to continue discussions among a smaller group of nations.

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- C. A ROK withdrawal would most likely be timed to coincide with the Chinhae anti-Communist conference, sponsored by the ROK, scheduled for 15-17

 June.
 - 1. Whee might see propagands advantage in recalling delegation at that time to get conference aims "off with a bang."
 - 2. 17 June also first anniversary of Rhee's prisoner release.
 - 3. He would not be average to this move even if Allies have agreed to terminate Korean phase and notwithstanding his earlier promises to allow political discussions to run a full 90 days.

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5. Pyun told Undersecretary Smith 11 June he had discretion to when and how to terminate talks, which he hoped would be immediately, but agreed that a joint UN-ROW statement at end of talks would be advisable.

III. The Chinhae Conference

A. Billed as a "people's conference of Asien nations," this perley of unofficial representatives is being sponsored by the "Anti-Communist

People's Front," a paper organization covering Rhes's personal sponsorship.



- 1. It is essentially a ROK propaganda forum seeking to attribute broad Asian support to ROK foreign policy objectives.
- 2. In effect, Rhee is attacking and seeking to reverse US strategy in Western Pacific, concentrated on a strong, friendly Japan economically integrated with SEA countries.
- 3. Rhee may offer an anti-Communist front of small Asian nations as an alternative to Japan as basis of US position in Western Pacific.
- 4. The anticipated criticisms of America's Asian policy at Chinhae suggest a Rhee propagands appeal to US Congressional and public opinion to strengthen the ROK in dealing with US Executive departments.
- 5. It is believed Rhee will attempt to convince US popular Asian support exists for a collective enti-Communist program.
- 6. Inherent in this is ROK determination to achieve leadership in any US-supported SRA collective security program.
- 7. Rhee may feel that besis of US support for ROK derives principally from US-Chinese Communist conflict.
- 8. He may consider, therefore, that membership in a US-led organization to block Communist pressure in SFA is an ultimate, if indirect, means of ensuring US support in unifying Korea, assuming that in event of war with China, US would be forced to reinforce Korean front.

IV. The Post-Geneva Period

- A. The possibility of a northward attack.
 - 1. Rhee will be extremely difficult to deal with once the Geneva conferes concede their failure to unify Korea.

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- 2. His recent public statements, however, neither add to nor detract from previously held views about his future courses of action.
- 3. He is convinced that time is running out and that "if fight we must, let us get started as soon as possible."
- 4. While a recent top-level army reorganisation probably provides him with greater command flexibility in case of unilateral action, his top army commanders, except for UCS Chairman General Yi, have flatly told him he cannot hope to unify Korea by unilateral military attack.

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6. It is assumed that previous restrictions on armo, a 3-6 days' supply remain in effect.

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- 8. Rhee's prime tactic at the moment seems to be the use of threats which, in an 11 June press interview, he called "especially presising" alternative.
- 9. He seems to be thinking primarily in terms of delivering an "ultimetum" to the Communists to "get out of Korea or we will fight you,"
 on grounds that the Soviet Union does not want war now and "what
 the Soviet says is law for her minions."
- 10. Rhee will apparently not be moved from bluff to action unless he can contrive to embroil the UE in renewed heatility or unless the US moves to improve relations with Peiping. Period between end of Apparent Large 2004/01/15/16/14/PDE19RODE 90/400300030042-5

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- B. Other action relating to the armistice
 - 1. Thec's prime hope continues to be that he can embroil the US in some kind of military action by indirect means. (See III 7-8 above).
 - 2. He may seek to provoke the Chinese Communists by:
 - a, seising Chinese fishermen off the Korean const;
 - b. continuing to urge the use of RCK troops in Indochine;
 - c. provoking incidents along the truce line;
 - d. building or seeking entry into an Asian defense community which he hopes will become the recipient of US military aid.
 - He may announce that South Korea is no longer bound by the armistics terms.
 - 4. He may withdraw his troops from the UN Command.
 - 5. He has stated he will eject the Communist members of the MNSC from South Korea.
- C. South Korean attempts to secure greater US economic-military commitments.
 - 1. Hhee will continue to seek increased US commitments using the tactic of keeping as many issues "boiling" as possible to strengthen his bargaining power.
 - 2. Such issues will include:
 - a. a 35-division RCM army with navel and air supporting units ineluding jets;
 - b. the amendment of the US-ROK mutual defense past and the conelumion of a status of forces agreement;
 - c. a greater ROK voice in the disbursement of US sid funds;
 - d. retention of the unrealistic 180-1 "permanent" exchange rate; (this issue is an inflammatory one with Rhee)

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- e. the recall of Economic Coordinator Tyler Wood; and
- f. the stoppege of American aid purchases for Korean recovery in Japan.

3. He will put forth all his old demands, ignoring the fact that he has theoretically bargained away these demands for concessions already granted by the United States.

4. He will reverse the ordinary negotisting procedure of putting forth the maximum position first, by his usual technique of adding new demands once he has exploited his original position to the maximum.

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